



Louisiana Housing Corporation

The following resolution was offered by Board Member Guy T. Williams, Jr. and seconded by Board Member Ellen M. Lee:

RESOLUTION

A resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Nine Million, Seven Hundred Fifty Thousand Dollars (\$9,750,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds for the Cypress Springs Senior Apartments Project located at 8200 Cypress Road, Baton Rouge, Louisiana 70114; in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Commissioners (the "LHFA Board") of the Louisiana Housing Finance Agency (the "LHFA") on June 8, 2011, adopted a resolution approving and authorizing the issuance of not exceeding Eight Million, Six Hundred Thousand Dollars (\$8,600,000) of Louisiana Housing Finance Agency Single-Multifamily Housing Revenue Bonds (Cypress Springs Senior Apartments Project) in one or more series and authorized the publication of a Notice of Intention to Sell at Private Sale (the "Notice") in connection therewith; and

WHEREAS, the Developer has submitted an amended Bond Application requesting an increase in the not exceeding principal amount of the bonds to Nine Million, Seven Hundred Fifty Thousand Dollars (\$9,750,000); and

WHEREAS, said bonds are being designated as "Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Cypress Springs Senior Apartments Project) Series 2014" in the aggregate principal amount of not to exceed \$9,750,000 (the "Bonds") and are being issued for the purpose of providing funds to (i) pay the cost for the acquisition, construction and equipping of a multifamily residential rental facility serving low and moderate income special needs households in Baton Rouge, East Baton Rouge Parish, Louisiana (the "Project"), (ii) fund such reserve accounts as may be required and (iii) pay the costs of issuance associated with the Bonds; and

WHEREAS, in accordance with the resolutions adopted by the LHFA on June 8, 2011 and March 13, 2013, sale of the not to exceed \$8,600,000 Bonds was held on March 13, 2013; and

WHEREAS, a Supplemental Notice of Sale was published on April 21, 2014 in "The Advocate" and on April 21, 2014 in the "Daily Journal of Commerce" for an amount not to exceed \$9,750,000; and

WHEREAS, in accordance with the Supplemental Notice of Sale, not exceeding \$9,750,000 of the Bonds was scheduled for May 14, 2014; and

WHEREAS, the Louisiana Housing Corporation (the "**LHC**") was created by and pursuant to the Louisiana Housing Corporation Act contained in Chapter 3-G of the Louisiana Revised Statutes of 1950, as amended (R.S. 40:600.86 through R.S. 40:600.111) (the "**LHC Act**"), and, pursuant to Section 1 of Act No. 408 of the 2011 Regular Session of the Louisiana Legislature (the "**Housing Reorganization Act**"), the Board of Directors (the "**LHC Board**") of the LHC assumed the powers, duties, functions and responsibilities of the LHFA Board pursuant to an amendment of Section 600.4 of Chapter 3-A of the LHFA Act by the Housing Reorganization Act, providing that the LHFA Board was abolished and, as of midnight on December 31, 2011, the activities, authority, power duties functions, programs, obligations, operations and responsibilities and any pending or unfinished business of the LHFA have been assumed and must be completed by the LHC with the same power and authority as the LHFA pursuant to Section 4 of the Housing Reorganization Act; and

WHEREAS, the LHC did meet on May 14, 2014, at 12:00 p.m., Louisiana time, for the purpose of receiving and considering the proposal of Merchant Capital, L.L.C. or such other purchaser (the "**Purchaser**") as may be designated by Cypress Springs Limited Partnership, a limited partnership, organized in the State of Louisiana (the "**Developer**"), and taking action with respect to the parameter sale of not exceeding Nine Million, Seven Hundred Fifty Thousand Dollars (\$9,750,000) of the Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as the governing authority of said LHC, that:

SECTION 1. The parameter written terms submitted this day by Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer, for the purchase of bonds designated "Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Cypress Springs Senior Apartments Project)" located at **8200 Cypress Road, Baton Rouge, Louisiana 70114**; in on more series in the aggregate principal amount of not exceeding \$9,750,000, at an interest rate not exceeding 12% per annum, and for a maturity not exceeding 40 years, authorized under and pursuant to the provisions of a Bond Trust Indenture (the "**Indenture**"), by and between a trustee to be determined (the "**Trustee**"), and the LHC be, and the same are hereby awarded to the Purchaser; provided, however, that the sale and delivery of the Bonds are conditioned upon approval by the State Bond Commission and compliance with any and all approvals and/or certifications required by the Louisiana Attorney General. The sale of the Bonds in accordance with said Indenture is hereby authorized and approved. The Chairman, Vice Chairman, Interim Executive Director and/or

Secretary of this LHC Board are hereby authorized and directed for, on behalf of and in the name of the LHC, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein, including, but not limited to, the following described documents for the Bonds on file with the LHC:

- (i) Bond Trust Indenture,
- (ii) Financing Agreement, and
- (iii) Tax Regulatory Agreement.

The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended, and with the approval of Counsel to the LHC or Bond Counsel. As provided in the resolution adopted by the LHFA on June 8, 2011, the costs of financing the Project will be paid out of the proceeds from the sale of the Bonds, in one or more series, which shall be special, limited obligations of the LHC, payable solely out of the revenues derived by the LHC with respect to the Project for which financing is made available, and the Bonds and the interest thereon shall never constitute the debt or indebtedness of the LHC, the State of Louisiana (the "State"), or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the LHC or the State or any political subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the Bonds.

By virtue of LHC's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including

subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 2. A bank is to be designated as Trustee and Paying Agent with respect to the Bonds in accordance with the provisions of the Indenture.

SECTION 3. In order to accomplish the sale of the Bonds in accordance with the terms of this resolution, either the Chairman or Vice Chairman of the LHC or the Executive Director, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the LHC, the Indenture in substantially the form thereof which is now before this LHC and filed with the Secretary of this LHC Board of Directors with such revisions or changes as may be approved by Bond Counsel.

SECTION 4. The Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture.

SECTION 5. The Bonds shall be subject to redemption in accordance with the Indenture.

SECTION 6. The Chairman, Vice Chairman, Executive Director and/or Secretary, be and they are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the LHC and delivered to effect delivery of the Bonds to the Purchaser or deemed by any of them necessary or advisable to implement this resolution or the Indenture, or to facilitate the sale of the Bonds.

SECTION 7. The Chairman, Vice Chairman, Executive Director and/or Secretary of the LHC shall cause to be executed for and on behalf of the LHC the aforementioned Bonds in accordance with the Indenture, and shall effect the delivery thereof to the Purchaser in accordance with the Indenture. The Interim Executive Director and/or such other officer of the LHC shall receive from the Purchaser for the account of the LHC the purchase price of the Bonds and shall deposit the same with the Trustee under the Indenture in accordance with the provisions thereof.

SECTION 8. The Project is hereby preliminarily approved for low-income housing tax credits ("LIHTCs") in the amount of Six Hundred Fifteen Thousand, Six Hundred Ninety-Seven

Dollars (\$615,697) in accordance with the preliminary feasibility analysis report (the “**F&V Report**”) of the Corporation's tax credit underwriter (the “**Tax Credit Underwriter**”) attached hereto as **Exhibit A**, provided, however, that staff is hereby further authorized and directed to adjust such LIHTCs based upon (a) any reprocessing submitted by the taxpayer/owner and the LIHTCs recommended and approved in a supplemental F&V Report of the Underwriter and/or (b) the final audited cost certification review of the Project by the Tax Credit Underwriter following the placement in service of the Project as required by Section 42(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

SECTION 9. This resolution shall take effect immediately.

This resolution having been submitted to a vote, the vote thereon was as follows:

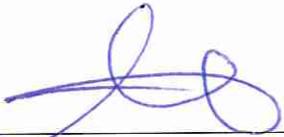
YEAS: Michael L. Airhart, Mayson H. Foster, Dr. Daryl V. Burckel, John N. Kennedy, Ellen M. Lee, Willie Spears, Guy T. Williams, Jr., Malcolm Young.

NAYS: None

ABSENT: Larry Ferdinand, Matthew P. Ritchie.

ABSTAIN: None.

And the resolution was declared adopted on this, the 14th day of May, 2014.



Chairman



Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "LHC"), do hereby certify that the foregoing five (5) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on May 14, 2014, entitled: "A resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Nine Million Seven Hundred Fifty Thousand Dollars (\$9,750,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Cypress Springs Senior Apartments Project) located at **8200 Cypress Road, Baton Rouge, Louisiana 70114**; in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the LHC on this, the 14th day of May, 2014.



Secretary

(SEAL)

PROJECT REVIEW CHECKLIST

3/4/2013 11:13

I. PROJECT DATA		539064
Project Number:	2010-07bf reproc	
Project Name:	Cypress Springs	
Parish Location:	Ebaton Rouge	
Number of Residential Buildings:	3	
Number of Units:	144	
Year Built	No	
Lead Risk Assessment Needed?	NO	
Gross Floor Area:	127,859	
Residential:	126,399	
Non-Residential:	1,500	
Development Type/Construction Type:	PSH (with 15% PSH Units)	New Construction/Conversions-Multifamily
Set Aside Income Percentage:	40% residents at 60% or less	
Number of Low Income Units:		
5% Set Aside	NO	
Non Project Based Assistance	144	
PBA	0	
Total	144	
Congressional District	Sixth	
Located in a Levee-Protected Area?	No	
II. SCORE DATA		
LHHC Computed Score:	68.5	
LHHC LHFA Processed Score:	68.5	
Satisfies Minimum Score:	YES	
HOME Computed Score:	N/A	
HOME LHFA Processed Score:	N/A	
Satisfies Minimum Score:	N/A	
III. TAX CREDIT / HOME/ CDBG DATA		
Credits Requested:	\$615,697.00	
Feasibility Credit:	\$615,697.00	
Basis Credit Limit:	\$634,714.34	
Credits Requested within limits?	YES	
HOME Funds Requested:	\$1,575,480	
HOME Feasibility Amount:	\$1,575,480	
IV. IDENTITY OF INTEREST DATA		
Identity of Interest:	Yes	
V. THRESHOLD REQUIREMENTS		
Evidence of the project's site control?	Yes	
Evidence of the project's zoning ?	Yes	
Evidence of the project's infrastructure and proximity to other services?	Yes	
Environmental Review received?	Yes	
Evidence that Applicant agrees to accept referrals of LRA/OCD, PHAs, LRC, & LHFA?	Yes	
Minimum Internet/Cable capacity requirements met?	Yes	
Minimum Energy Efficiency Requirements met?	Yes	
Minimum Design Features met?	Yes	
FEMA Guidelines dated 4/12/2006 met (Architect's Certification or Elevation Survey)?	Yes	
Evidence of Development Experience ?	Yes	
Evidence of Management Experience ?	Yes	
Project Team Disqualifications?	No	

PROJECT REVIEW CHECKLIST

3/4/2013 11:13

I. PROJECT DATA 539064

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Year Built	No
Lead Risk Assessment Needed?	NO
Gross Floor Area:	127,859
Residential:	126,399
Non-Residential:	1,500
Development Type/Construction Type:	PSH (with 15% PSH Units) New Construction/Conversions-Multifamily
Set Aside Income Percentage:	40% residents at 60% or less
Number of Low Income Units:	
5% Set Aside	NO
Non Project Based Assistance	144
PBA	0
Total	144
Congressional District	Sixth
Located in a Levee-Protected Area?	No

II. SCORE DATA

LIHTC Computed Score:	68.5
LIHTC LHFA Processed Score:	68.5
Satisfies Minimum Score:	YES
HOME Computed Score:	N/A
HOME LHFA Processed Score:	N/A
Satisfies Minimum Score:	N/A

III. TAX CREDIT / HOME/ CDBG DATA

Credits Requested:	\$615,697.00
Feasibility Credit:	\$615,697.00
Basis Credit Limit:	\$634,714.34
Credits Requested within limits?	YES
HOME Funds Requested:	\$1,575,480
HOME Feasibility Amount:	\$1,575,480

IV. IDENTITY OF INTEREST DATA

Identity of Interest:	Yes
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V. THRESHOLD REQUIREMENTS

Evidence of the project's site control?	Yes
Evidence of the project's zoning ?	Yes
Evidence of the project's infrastructure and proximity to other services?	Yes
Environmental Review received?	Yes
Evidence that Applicant agrees to accept referrals of LRA/OCD, PHAS, LRC, & LHFA?	Yes
Minimum Internet/Cable capacity requirements met?	Yes
Minimum Energy Efficiency Requirements met?	Yes
Minimum Design Features met?	Yes
FEMA Guidelines dated 4/12/2006 met (Architect's Certification or Elevation Survey)?	Yes
Evidence of Development Experience ?	Yes
Evidence of Management Experience ?	Yes
Project Team Disqualifications?	No

VIII. FEES AND PROFITS

Developer Fee:	\$1,910,000.00
Builder Profit:	\$480,278.00
Builder Overhead:	\$192,111.00
Syndication Costs:	\$0.00

IX. SECTION 515 PROJECT

Section 515 Project or FHA Insured	YES
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X. IS DEVELOPER A DEBARRED DEVELOPER?

NO

XI. NON-PROFIT GENERAL PARTNER OR MATERIAL PARTICIPANT

Is Non-Profit a CHDO?	NO
Is CHDO the Managing General Partner?	N/A
Is Non-Profit Determination Form complete?	YES
Have Articles of Incorporation been reviewed?	YES
Has IRS Determination Letter been reviewed?	YES

XII. LEGAL STATUS OF TAXPAYER

Does the Taxpayer currently exist?	YES
Have the organizational documents been reviewed?	NO

XIII. CASH FLOW JUNIOR MORTGAGE LOANS

Amount/Type:	\$4,150,960	\$4,150,960
If applicable, has the imputed principal schedule been submitted?	YES	

XIV. HOME FUNDS

HOME Funds requested:	\$1,575,480.00
HOME below AFR: AFR = 2.51%	YES
Affirmative Marketing Procedures Acceptable?	N/A
Owner's Relocation Plan acceptable?	N/A
Site & Neighborhood Standards Certification?	N/A
Maturity Date: 01/00/00	Balance at Maturity: \$0

XV. POOL SPECIFICATION - N/A WITH RESPECT TO HOME FUNDS

General Statewide Pool	0
Qualified Non-Profit/CHDO Sub-pool (10%)	0
Rural Development Sub-pool (1602 & Home)	0
PHA Sub-pool (10%)	0
Hurricane Ike Credit Sub-pool	0
GO Zone Credits Pool	0

XVI. OPERATING DATA

Average PUPA:	\$3,709.80
Breakeven Ratio:	91.33%
Initial Debt Service Ratio:	
Hard Only	1.23

FEASIBILITY ANALYSIS

XVII SOURCES	Confirmed	
Permanent First Mortgage Loan Principal	Yes	\$6,200,000
Permanent Second Mortgage Loan Principal		\$1,000,000
Home Funds		
Gross Tax Credit Equity		
CDBG Funds	No	\$0
Office of Community Development HOME		\$0
Other		\$0
Reserve for Replacement		\$0
Owner Contribution:		\$0
Deferred Developer Fee		\$909,020
Lease-Up Reserves		\$0
Operating Reserves		\$0
Temporary Construction Loan		\$0
Other: Affordable Housing Program		\$500,000
Other: Local Foundation Grants		\$250,000
Other		\$0
Other		\$0
Other		\$0
Other Sources Needed to Balance		\$0
SUBTOTAL		\$8,859,020

XVIII USES		
Rehabilitation Hard Costs		\$0
Construction Hard Costs		\$11,112,817
Total Soft Costs		\$3,824,199
Architect's Fee - Design		\$484,126
Architect's Fee - Supervisory		\$0
Interest During Construction		\$405,000
Taxes During Construction		\$10,000
Insurance During Construction		\$0
Financing Fee (Construction)		\$156,000
Financing Fee (Permanent)		\$112,000
Title and Recording Costs		\$50,000
Taxpayer Closing Costs		\$14,400
Organization Costs		\$5,000
Relocation Expenses		\$0
Lender Legal Fees		\$115,000
Taxpayer Counsel Fees		\$40,000
Survey Costs		\$64,496
Audit Fees		\$10,000
Developer Fee		\$1,910,000
LHFA Tax Credit Fees		\$46,100
LHFA HOME Fees		\$0
Asset Management Fee		\$0
Other: Bond Fees		\$25,600
Other: Marketing & Furnishings		\$85,000
Other: Market Study & Appraisal		\$25,000
Other: Soft Cost Contingency		\$35,000
Other: Syndication Costs		\$50,090
Other: Payment and Performance Bond		\$0
Other: Construction Management		\$181,477
0		\$0
Acquisition Costs:		\$0
Land Only		\$536,940
Buildings Only		\$0
Other		\$0
Other Fund Uses NOT in Basis		\$0
Demolition		\$0
Other		\$0
Total Development Costs		\$15,473,956
Temporary Construction Loan Pay off		\$0
Initial Operating Reserve		\$481,630
Initial Deposit to Replacement Reserve		\$0
Rent Reserves		\$20,250
Other		\$0
Total Uses of Funds		\$15,975,836
		\$0
Modified Total Uses of Funds		\$15,975,836

VIABILITY AND FEASIBILITY ANALYSIS SUMMARY

GO Zone?	Yes	
SET ASIDE PERCENTAGE CHOSEN	40% residents at 60% or less	
IMPUTED MONTHLY RENT AT OR BELOW LEGAL LIMITS?	YES	
ANALYSTS CASH FLOWS POSITIVE - YEAR ONE?	YES	\$92,497
DEBT SERVICE RATIO - YEAR ONE	YES	1.23330
EXPENSE CUSHION		17.315%
ANNUAL AVERAGE EXPENSES PER UNIT WITHIN PERMITTED RANGE?	YES	\$3,710
DEVELOPMENT COSTS PER UNIT AT OR BELOW PERMITTED LIMIT?	YES	\$105,055.32
BEDROOM SIZE SQUARE FOOTAGE LIMITS SATISFIED?	YES	
MINIMUM BATHROOMS SATISFIED?	YES	
ARE RESERVES PER UNIT ADEQUATE?	250 YES	\$300

	LIMIT	ACTUAL	Under(Over)	Net Excess Profits
BUILDER'S PROFIT	\$626,426	\$480,278	\$146,148	
BUILDER'S OVERHEAD	\$208,809	\$192,111	\$16,698	
GENERAL REQUIREMENTS	\$604,259	\$369,444	\$234,815	
DEVELOPER FEE	\$1,980,899	\$1,910,000	\$70,899	\$0
REHAB / HARD COSTS CONTINGENCY	\$1,110,803	\$4,787		
SYNDICATION TYPE:	Public	or	Private	X
SYNDICATION COSTS:	\$0	or	0.00%	

IS PROJECT DEEMED VIABLE AND FEASIBLE?	YES (see Comments)	
HOME-CDBG Feasibility / Viability Amount	\$1,575,480	
CREDIT FEASIBILITY / Viability AMOUNT (9 MULTIPLE)	\$615,697	
New Reserve Policy Credit Feasibility/Viability Amount	\$615,697	
TCAP Feasibility Amount	\$0	
Tax Credit POINTS:	68.5	

Comments: Based on reprocessing application sent to LHC by email dated December 17, 2012 from Bill Truax, and received by Foley & Judell by email dated December 19, 2012 from Bill Truax. The application states: "This Application has been revised in preparation for closing of the Partnership. The project had previously been underwritten with an allocation of Project Based Vouchers from the Louisiana Housing Authority. We have since been informed that those vouchers are not available to the project at this time due to an over-allocation of those vouchers. The Applicant remains committed to the needs of the elderly and those with special needs. The project will proceed without the vouchers, however, we believe that the most advantageous use of the LHA 811 or PBV vouchers will be to a 4% bond development because it leverages the most new units of affordable housing. If those vouchers become available in 2013, the applicant will accept vouchers for up to 25% of the units in the development."

Items routinely removed for GAP Analysis:	Amount	Soft Debt?
1. Initial Operating Reserve	\$481,630	Yes.
2. Rent up Expense	20,250	Yes.
3. Soft Cost Contingency	35,000	Yes.

Other comments:

- A. The applicant represents that the Threshold requirements have been met. Satisfaction of Threshold Requirements related to Design and Construction should be verified in the architectural plans which are not part of the F&V review.
- B. Major changes from the prior application include: (i) no vouchers for 36 units; (ii) \$424,520 decrease in HOME funds requested; (iii) \$888,449 or 5.4% decrease in TDC; (iv) \$101,000 or 5% decrease in Developer Fee; (v) \$305,000 or 5.2% increase in first mortgage; and (vi) \$846,539 increase in Deferred Developer Fee.
- C. Market rents were updated based on a Certification Of Demand received by email on March 1, 2013.

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